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## **Peer review on the implementation of the European Statistics Code of Practice**

**Country visited: Malta**

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1. Executive Summary .....	3
2. Introduction .....	4
3. Findings per Principle .....	5
<b>Principle 1: Professional Independence</b> .....	5
<b>Principle 2: Mandate for Data Collection</b> .....	8
<b>Principle 3: Adequacy of Resources</b> .....	9
<b>Principle 4: Quality commitment</b> .....	10
<b>Principle 5: Statistical confidentiality</b> .....	12
<b>Principle 6: Impartiality and objectivity</b> .....	13
<b>Principle 15: Accessibility and clarity</b> .....	15
4. Co-ordination role of the National Statistical Institute .....	17
5. Good practices to be highlighted .....	18
6. Recommendations of the peer review team .....	18
7. List of improvement actions by principle of the Code .....	19
8. Annex A: Programme of the visit .....	21
9. Annex B: List of participants .....	22

## 1. EXECUTIVE SUMMARY

**Main findings** (including an assessment of the co-ordination role of the National Statistical Institute):

- (1) After its review of the National Statistical Office of Malta (NSO) against the selected principles (1 – 6 and 15) of the European Statistics Code of Practice, the Peer Review team came to the general conclusion that the situation of the NSO is in many respects comparable to the situation of other National Statistical Institutes (NSIs) in Europe, and that means to NSIs that are mostly much larger than the NSO ever will be. Despite its smallness and its very limited resources the NSO has reached a remarkable compliance with large parts of the Code.
- (2) A serious problem for the NSO is that the position of the Director General has already been vacant since the end of January 2007. The Chairman of the Malta Statistics Authority Board has taken over the functions as Acting Director General but a definite appointment of a new Director General is a top priority for the office and has to be achieved very soon. Further vacancies on the senior management level should also be filled quickly.
- (3) The NSO has a very strong legal foundation. The Malta Statistics Authority Act of 2000 (MSA Act) guarantees the professional independence, impartiality, objectivity and statistical confidentiality of the office as well as the independence of its supervisory body, the Malta Statistics Authority which is given a distinct legal personality by the law. The various groups of stakeholders of the NSO interviewed during the Peer Review confirmed that the principles of Professional Independence, of Impartiality and Objectivity, and of Statistical Confidentiality are fulfilled also in practice.
- (4) The MSA Act gives the NSO a clear mandate to collect data from private households and undertakings and a far reaching access to administrative data. To reduce the high burden on respondents leading partly to high non-response, the NSO makes every effort to further increase and improve the use of administrative records.
- (5) By the MSA Act the NSO is the coordinator of official statistics in Malta. In practice the vast majority of European statistics for Malta is produced by the NSO and partly, within its competence, by the Central Bank of Malta. The NSO, however, uses a wide range of administrative data for its statistics production which is based on a close cooperation and partly formal agreements with many public institutions. The NSO does not always enforce other agencies to adopt European statistical standards, which gives room for further improvement.
- (6) With regard to resources, the Maltese NSO faces some problems. For very small statistical offices it is very difficult to fulfil the demands in particular of the European Union which are not much different from the demands on much larger offices in other countries. In particular, the number of staff should be increased to enable the office to carry out future development actions. Moreover needed is the alignment of the salaries of qualified staff with those offered by competitors on the labour market and higher investments in Information Technology.
- (7) The NSO considers the quality of its statistical products and services as a high priority. What is lacking, however, are a systematic quality management approach and an

office-wide systematic implementation of policies which have already been adopted by the office.

- (8) The NSO is a service oriented institution and is accustomed to close contacts with its users. In the interviews users expressed positive opinions about the web site and the publications of the NSO. There are, however, some significant weaknesses in relation to the availability and organisation of metadata, particularly in relation to information about the quality of statistical outputs. On the other hand many of the partners interviewed in the course of the Peer Review stressed the very good and appreciated services provided in a more informal way by the NSO.

## **2. INTRODUCTION**

With the adoption of the European Statistics Code of Practice, the Statistical Programme Committee (SPC) committed itself to adhering to its principles. At its meeting on 25 May 2005, the SPC endorsed a stepwise monitoring procedure for the implementation of the Code over three years during which countries' self-assessments should be combined with elements of peer review, benchmarking and monitoring on the basis of the explanatory indicators added to each principle of the Code.

During December 2005 / January 2006 the National Statistical Institutes and Eurostat have completed their self-assessments, the results have been summarised by Eurostat in a report submitted to the Economic and Financial Committee in May 2006 which has been published on the Eurostat website.

As a next step towards implementation of the Code, the European Statistical System is organising peer reviews to complement the self-assessments starting with 2006. They are considered a vital element for the implementation of the Code of Practice given their capacity to encourage the sharing of best practice and to contribute to transparency in what is, essentially, a self-regulatory approach. This approach is designed to enhance accountability and to help building trust in the integrity of the European Statistical System, its processes and outputs.

The Code of Practice peer reviews follow a common methodology focusing on the institutional environment and dissemination part of the Code comprising the following principles: (1) Professional independence, (2) Mandate for data collection, (3) Adequacy of resources, (4) Quality commitment, (5) Statistical confidentiality, (6) Impartiality and Objectivity and (15) Accessibility and Clarity. In principle, the peer review is limited to the National Statistical Institute and its co-ordination role within a dispersed national statistical system. A short document provided by the National Statistical Institute which summarises key aspects of the functioning of the national statistical system is published together with this report.

During a three days visit on-site and on the basis of information material provided by the National Statistical Institute and Eurostat prior to the review, peer reviews yield a report assessing compliance with the Code of Practice at indicator level and by principle following a four point assessment scale. The report includes a refined set of improvement actions covering all principles of the Code which are being used to feed the monitoring process of the implementation of the Code in the European Statistical System.

While the peer reviewers will undertake to base their assessment to the extent possible on factual information, it is worth noting some of the limitations of the peer review process. For example, peer reviewers are dependent upon the resources made available to them (though

experienced reviewers can be expected to identify where appropriate information is not forthcoming). In addition these reviews are conducted on a strategic, organisation-wide and system-wide basis. Accordingly it is not straightforward to ascertain that certain practices or behaviours or systems operate in all statistical domains.

### 3. FINDINGS PER PRINCIPLE

#### **Principle 1: Professional Independence**

*The professional independence of statistical authorities from other policy, regulatory or administrative departments and bodies, as well as from private sector operators, ensures the credibility of European Statistics.*

Overall assessment: The professional independence of the National Statistics Office of Malta (NSO) and its supervisory body, the Malta Statistics Authority (MSA), is clearly specified in the Malta Statistics Authority Act of 2000. In all interviews carried out during the visit of the Peer Review team the representatives of the various user groups stressed that they have every confidence in the professional independence of the NSO in practice and that the NSO has a good reputation in public.

Despite the widely recognized and legally guaranteed professional independence of the NSO, a political debate flared up at the end of 2006 in the wake of the quarterly publication of the National Accounts news release, which carried revisions back to 1996. Suspicions were voiced by parliamentarians of the opposition and by some organs of the media that the National Accounts revision was politically influenced. This had the effect that the integrity and independence of the NSO and its Director General, who had been in office only since August 2006, was questioned. In January 2007 the Director General resigned from his post, saying that under such circumstances he cannot keep fulfilling his duties with the peace of mind required by this position. The National Statistics Office management declared after the resignation that it had never been subjected to any pressure, political or otherwise, internal or external, to manipulate the statistics they published. The Board of the Malta Statistics Authority took note of the Director General's resignation but reiterated the full confidence it had and still has in him.

It cannot be the task of this Peer Review to carry out any kind of investigation of the occurrences end of 2006/beginning of 2007 concerning Maltese official statistics or to give any kind of an assessment, but it is the task of the Peer Review to express that such occurrences, whatever the reason is, can seriously damage the reputation of a statistical office. From the interviews with the most important stakeholders, however, the Peer Review team has got the impression that such a loss of reputation did not occur.

The Peer Review took note that the Chairman of the MSA has taken over, with the consent of the MSA and in consultation with the responsible Minister, the functions of the Director General of the NSO as Acting Director General without handing over the chairmanship in the MSA, at least temporarily, to anybody else and that no call for application was published up to now. It was emphasized to the Peer Review team that efforts by the MSA to identify a suitable person to fill the position of Director General proved fruitless. The combination of roles was also criticised by interview partners and it was demanded that a definite solution has to be found very soon. The management of the NSO agreed with an improvement action as a top priority which reads as follows: "Achieve as soon as possible a definitive appointment of Director General (Top Priority)". The Peer Review team recommends a procedure that ensures the

credibility of the NSO and the person selected and that means selection by an open and transparent competition.

*Indicator 1.1: The independence of the statistical authority from political and other external interference in producing and disseminating official statistics is specified in law.*

### **Fully met**

Comments: The Malta Statistics Authority Act of 2000 (MSA Act) provides for the establishment of the Malta Statistics Authority (MSA) as a body having a distinct legal personality. The main function of the MSA is the regulation and supervision of the policies governing the production of official statistics in Malta in accordance with international requirements and standards. The Authority is governed by a Board of eight members including the Director General of the National Statistical Office as ex officio member. The other seven members including the chairperson are appointed by the responsible minister, four of them on the recommendation of important stakeholders of official statistics in Malta (Central Bank of Malta; Trade Union Movement; University of Malta; Business Community). As the executive agency of the MSA the National Statistical Office was established by the MSA Act for the collection, compilation and dissemination of official statistics relating to demographic, social, environmental, economic and general activities and conditions of Malta. Its independence is laid down in Article 10 of the MSA Act in connection with the description of the impartiality principle in Article 2 of the Act. The NSO is headed by the Director General who is therefore to be considered as the “head of the statistical authority” in relation to indicators 1.2, 1.3 and 1.4.

*Indicator 1.2: The head of the statistical authority has sufficiently high hierarchical standing to ensure senior level access to policy authorities and administrative public bodies. He/She should be of the highest professional calibre.*

### **Largely met**

Comments: The hierarchical level of the Director General of the NSO is comparable with that of other Directors General in the government. The Director General is appointed by the MSA after consultation with the responsible minister for a period of three years which may be extended for further periods of three years each. The MSA Act demands that the Director General shall be a person with professional qualifications, recognised competence and reputation in the domain of statistics. As already said in the overall assessment of principle 1 the post of the Director General of the NSO is at present not definitively filled. In the view of the chairman of the MSA Board, who is acting at the same time as Director General, an open call for applications would not be meaningful without having beforehand the agreement of a highly qualified candidate to apply.

*Indicator 1.3: The head of the statistical authority and, where appropriate, the heads of its statistical bodies have responsibility for ensuring that European Statistics are produced and disseminated in an independent manner.*

### **Fully met**

Comments: According to Article 10 of the MSA Act the NSO is responsible for “the collection, compilation, extraction and release of official statistics” and shall “provide on an impartial basis, quantitative and representative information about the economic, demographic, gender issues, social and environmental issues in Malta to all users”. The Director General heads the Office; he or she is responsible for the day-to-day operations of the Office and shall discharge his/her duties relating to the Office autonomously. His/her professional independence as well as the independence of the Members of the MSA Board from political or any other interference in producing and disseminating official statistics in Malta are specified in Articles 9 and 7 of the

MSA Act. All interview partners during the Peer Review confirmed that the NSO in practice produces and disseminates its statistics in a professionally independent manner.

*Indicator 1.4: The head of the statistical authority and, where appropriate, the heads of its statistical bodies have the sole responsibility for deciding on statistical methods, standards and procedures, and on the content and timing of statistical releases.*

### **Fully met**

Comments: Article 9 of the Malta Statistics Authority Act stipulates that the Director General of the NSO shall “decide, on the basis of professional and ethical considerations, the scope and purpose of the statistics provided for in the business plan, and on the methods and procedures for the collection, compilation, storage, presentation and publication of data”. Moreover, the principle of reliability implies according to Article 2 of the MSA Act that scientific criteria are used for the selection of sources, methods and procedures. In addition the Malta Statistics Authority Board takes care of its function (Article 7 of the MSA Act) “to discuss and advise on statistical matters, including methodologies, relating to the collection, compilation and dissemination of statistics”.

*Indicator 1.5: The statistical work programmes are published and periodic reports describe progress made.*

### **Partly met**

Comments: The present three-year business plan of the NSO which is drafted by the Director General of the NSO, examined by the MSA Board and approved by the responsible minister is mainly a document to be used for budgetary purposes and not published. It is recommended to draw up a comprehensive multi-annual statistical programme which includes all areas of statistics of the NSO and in the mid term also of other data producers in Malta. The programme should be publicly available for all stakeholders of the NSO and all stakeholders should be involved in the planning process.

The NSO draws up and publishes an annual report of its activities.

*Indicator 1.6: Statistical releases are clearly distinguished and issued separately from political/policy statements.*

### **Fully met**

Comments: The press releases of the NSO – in the average one per day – are clearly labelled as coming from the office. They are purely statistical in their nature and never mixed with any political statements. The same holds true for comments in press conferences. Representatives of the media stressed that the NSO is very careful not to risk any political interpretation of their figures, sometimes in their view a bit too careful.

*Indicator 1.7: The statistical authority, when appropriate, comments publicly on statistical issues, including criticisms and misuses of official statistics.*

### **Fully met**

Comments: The NSO is entitled to react publicly on criticisms and misuses of official statistics. The “Media Policy” of the office includes a chapter on “Misconceptions, Errors and Criticisms” in which it is said that “the Director General is responsible for deciding whether to respond to criticism carried in the news media” and “for the manner with which to respond”.

## Principle 2: Mandate for Data Collection

*Statistical authorities must have a clear legal mandate to collect information for European statistical purposes. Administrations, enterprises and households, and the public at large may be compelled by law to allow access to or deliver data for European statistical purposes at the request of statistical authorities.*

Overall assessment: The NSO has a clear legal mandate to collect the data needed for the production of official statistics in all areas which are mentioned in the First Schedule of the MSA Act from legal as well as from natural persons. It has, furthermore, strong provisions regarding the right to use data from administrative records for statistical purposes. There are, nevertheless, some problems with non response not least because of the small size of the country and therefore the need for relatively large samples. Because of this, the already well-established use of administrative records shall be further intensified.

*Indicator 2.1: The mandate to collect information for the production and dissemination of official statistics is specified in law.*

### Fully met

Comments: The Malta Statistics Authority Act, in particular Articles 35 to 38 together with the First Schedule which lists all matters in respect of which statistics may be collected, prepared and published, provide the NSO with the legal mandate to collect data from persons and undertakings. All reporting units, undertakings as well as natural persons, are obliged to provide complete and accurate data required by the Director General of the NSO or an officer of statistics. The Director General moreover specifies the date or period within which the completed forms, questionnaires and other records shall be returned to the Authority.

The NSO, however, reported problems with regard to response rates especially from small business units which come to about 97% of all business units. Efforts are made by the NSO to improve the situation by providing the possibility to deliver the data via web based surveys, by a further rationalization of questionnaires, by an increase of the use of administrative data but not yet with the desired success.

*Indicator 2.2: The statistical authority is allowed by national legislation to use administrative records for statistical purposes.*

### Largely met

Comments: Article 39 of the Malta Statistics Authority Act gives the NSO the clear right to request administrative data from any public authority for the production of official statistics. The NSO may furthermore request any public authority to cooperate with the office for the purpose of assessing the potential of their records as a source of statistical information and, where appropriate and practicable, of developing its recording methods and systems for statistical purposes.

The NSO already uses in practice a wide range of administrative data. Close cooperation exists in particular with the Employment and Training Corporation in the field of Employment Statistics, with the Ministry of Finance and the Treasury in the fields of Government Finance and Public Debt Statistics, with the Customs Department in the area of Foreign Trade Statistics with the Central Bank of Malta in the area of Balance of Payments Statistics, and with the Tax Authority especially for National Accounts purposes. In principle, public authorities are willing to cooperate with the NSO and to accept the suggestions made. A further increase of the use of administrative data is nevertheless necessary. More data from the Ministry of Social Affairs will



be used in future and problems with the Environmental Corporation and the Electricity and Water Corporation have to be solved. Moreover, close cooperation with the Tax Authority and VAT Department on the provision of microdata would be beneficial to reduce the response burden on enterprises. The NSO suggested having the respective improvement action under principle 9 “Non-excessive Burden on Respondents”.

*Indicator 2.3: On the basis of a legal act, the statistical authority may compel response to statistical surveys.*

#### **Fully met**

Comments: According to the Malta Statistics Authority Act, all reporting units are obliged to provide complete and accurate data required by the NSO in censuses and surveys. Respondents who fail to meet their reporting obligations are liable to administrative penalties. (Article 39 of the MSA Act). The NSO, however, tries to avoid in practice as much as possible the use of the legal instruments. Instead the NSO strives to maintain good relations with respondents and with that to encourage response.

### **Principle 3: Adequacy of Resources**

*The resources available to statistical authorities must be sufficient to meet European Statistics requirements.*

Overall assessment: For very small statistical offices like the NSO of Malta with about 140 employees the compliance with European statistics requirements is a great challenge. There is lack of compliance in the fields of short-term indicators and structural business statistics. These issues started being addressed following the appointment of an Acting Director and the re-organisation of jobs. From January 2008, the NSO will already be in a position to start transmitting some indicators.

Though the resources of the NSO increased in the course of the last few years, it is still very difficult for the office to fulfil the demands of the ministries and in particular of the European Union which are not much different from the demands on much larger offices in other countries.

In their discussions with the management of the NSO as well as with the various groups of stakeholders from outside the office, the Peer Review team recognized clear indications that in particular the number of staff of the NSO is too small to carry out future development actions necessary to meet new demands from national and European users, to further improve the data quality including an appropriate documentation of the quality processes, to reduce the burden on respondents etc. Further needed is an improvement of the employment conditions to become fully competitive on the labour market and higher investments in Information Technology.

*Indicator 3.1: Staff, financial, and computing resources, adequate both in magnitude and in quality, are available to meet current European Statistics needs.*

#### **Partly met**

Comments: The NSO has a very young staff complement with 11 new economists recruited only in the course of the last few months. That means that intensive training is necessary to provide the young employees with the necessary expertise. The office intends to draw up an intensified training programme with the assistance of a foreign expert. On the senior level the

office has some vacancies which should be filled as soon as possible, using public calls for applications.

The stakeholders interviewed during the Peer Review nevertheless described the staff of the NSO as well qualified and very cooperative. NSO staff can be seen as highly committed to fulfil its tasks even though the employment conditions seem to be insufficiently attractive with regard to the level of the salaries paid, compared with competitors on the labour market. An alignment of the salaries at least with those in other public institutions should be reached very soon.

The still growing demand for statistics, in particular from the European Union, but as well the necessity to further improve quality and to find ways for a reduction of response burden makes it necessary in the view of the Peer Review team that the number of highly qualified staff is further increased. Improvements are also necessary in the field of Information Technology, with some more specialists working inside the NSO in that area and increased investment in the newest technologies to give the NSO more independence from external suppliers and increased flexibility in handling the requirements of the units within the NSO.

*Indicator 3.2: The scope, detail and cost of European Statistics are commensurate with needs.*

For European level reply

*Indicator 3.3: Procedures exist to assess and justify demands for new European Statistics against their cost.*

For European level reply

*Indicator 3.4: Procedures exist to assess the continuing need for all European Statistics, to see if any can be discontinued or curtailed to free up resources.*

For European level reply

#### **Principle 4: Quality commitment**

*All ESS members commit themselves to work and co-operate according to the principles fixed in the Quality Declaration of the European Statistical System.*

Overall assessment: The quality of statistical products and services is considered by NSO in Malta as a high priority. Their vision and mission statement as well as several policies related to quality confirm the commitment of the NSO as regards quality aspects. There is, however, no systematic quality management approach and improvements are needed in the office-wide implementation of policies which have been already adopted by the NSI. The small size of the NSO is a limiting factor in this context. A new specific unit in charge of quality would enhance a systematic approach in this field.

*Indicator 4.1 Product quality is regularly monitored according to the ESS quality components.*

#### **Partly met**

Comments: The NSO of Malta adopted a policy on the documentation of data quality and methodology. In practice, quality is usually monitored by survey managers on the basis of mainly traditional quality components (sampling and non-sampling errors) and furthermore by the unit in charge of dissemination, but there is a lack of an overall systematic approach covering all quality components across the full range of NSO products.

*Indicator 4.2 Processes are in place to monitor the quality of the collection, processing and dissemination of statistics.*

**Partly met**

Comments: Quality is monitored to a certain extent, mainly in the phase of data collection (e.g. non-response) and data dissemination (timeliness and punctuality). In addition the Peer Review team was informed that each respective unit does its own quality analysis such as coherence with other sources, comparability over time and cross sectional comparisons, along with outlier detection and imputation and that the NSO continuously strives to improve the methodology used to process the data collected. Data quality reports are produced for specific statistics according to the European legislation or in case of pilot projects as part of assistance programmes. All these procedures are not really standardized and not centrally guided.

*Indicator 4.3 Processes are in place to deal with quality considerations, including trade-offs within quality, and to guide planning for existing and emerging surveys.*

**Partly met**

Comments: There are no formal processes in place to deal with quality considerations including trade-offs within quality. Planning for existing and emerging surveys is mainly related to the process of implementation of the European legislation, including quality reporting to Eurostat. In planning of new surveys, pilot studies are carried out and experts (consultation groups) are usually involved as consultants.

*Indicator 4.4 Quality guidelines are documented and staff are well trained. These guidelines are spelled out in writing and made known to the public.*

**Partly met**

Comments: Quality guidelines are documented (e.g. quality in statistics, policy on the documentation of data quality and methodology, revision policy) and presented on the website. There is no systematic internal training in quality matters. Participation in the European Statistical Training Programme is limited due to limited human resources. Further elaboration of some aspects in internal handbooks or more specific guidelines and specific training on quality issues is needed.

*Indicator 4.5 There is a regular and thorough review of the key statistical outputs using external experts where appropriate.*

**Partly met**

Comments: External reviews of statistical outputs were conducted by external consultants in the framework of the Phare project or initiatives of international organizations; quality reporting required by EU legislation is also considered as a part of the process. Regular and thorough review of the key statistical outputs should be introduced including external expertise where appropriate.

## **Principle 5: Statistical confidentiality**

*The privacy of data providers (households, enterprises, administrations and other respondents), the confidentiality of the information they provide and its use only for statistical purposes must be absolutely guaranteed.*

Overall assessment: NSO takes statistical confidentiality seriously and this principle is respected both in theory and in practice. There are frequent contacts between NSO staff and many individuals and organisations in Malta, but all the external contacts who were met during the Peer Review agreed there have been no cases of disclosure of confidential information by NSO.

*Indicator 5.1 Statistical confidentiality is guaranteed in law.*

### **Fully met**

Comments: The Malta Statistics Authority Act contains a clear and complete set of provisions regulating statistical confidentiality and privacy in Articles 2, 7, 9, 10, 17, 36, 40, 41, 44, and 45. The most important provisions are spelt out in Article 40 (restrictions on the use of information) and in Article 41, which prohibits the disclosure of any information which can be related to an identifiable person or undertaking.

*Indicator 5.2 Statistical authority staff sign legal confidentiality commitments on appointment.*

### **Fully met**

Comments: According to Article 17 of the Malta Statistics Authority Act, NSO staff, when appointed, must make a sworn declaration affirming that they will not disclose or make known any confidential information. The form of oath is contained in the Second Schedule of the Act. This declaration is also required of staff of MITTS Ltd, (the government-owned company providing IT services to NSO), staff of the Central Bank of Malta working jointly with NSO and survey interviewers other than the permanent NSO staff.

*Indicator 5.3 Substantial penalties are prescribed for any wilful breaches of statistical confidentiality.*

### **Fully met**

Comments: According to Article 45 of the Malta Statistics Authority Act, NSO staff who break the rules on confidentiality may be punished by a fine of up to about 2300 Euros or a prison term of up to one year.

In practice, it has never been necessary to impose these penalties.

*Indicator 5.4 Instructions and guidelines are provided on the protection of statistical confidentiality in the production and dissemination processes. These guidelines are spelled out in writing and made known to the public.*

### **Largely met**

Comments: NSO policy on statistical confidentiality is described in the document *Confidentiality of Personal and Commercial Data*, which is published on the NSO website. This document highlights the specific provisions of the Malta Statistics Authority Act on statistical confidentiality together with some general remarks about the data treatment and IT practices of NSO. It does not give much detail on NSO practices; for example, it was stated during the Peer Review that

statistics based on fewer than 3 companies are not disseminated, but this rule is apparently not visible in any public document.

During the Peer Review, it was evident that people outside NSO, although they trusted NSO to maintain confidentiality, were not informed about this policy document (which was published for the first time in 2007) or of the precise rules applied. This can be resolved by adding some detail to the policy document on confidentiality and by publicising its existence.

***Indicator 5.5 Physical and technological provisions are in place to protect the security and integrity of statistical databases***

**Fully met**

Comments: Within the limits of the Peer Review process, it appeared that there was no reason to doubt the technical and physical protection of the NSO's databases. Up to now, databases have been hosted in a data centre run by MITTS Ltd, which provides most IT services to NSO, and which has assured a high professional level of IT provision to NSO. There is now a policy of building up the in-house IT unit at NSO, and the Peer Review team noted that expertise in IT security should be considered when fixing the number and type of staff to be recruited for the IT unit.

***Indicator 5.6 Strict protocols apply to external users accessing statistical microdata for research purposes.***

**Not met**

Comments: NSO does not currently have a formal protocol for researchers to get access to anonymised microdata and there was some evidence from the Peer Review hearings that NSO had sometimes provided anonymised microdata on an *ad hoc* basis in response to specific data requests. The lack of information on the procedure used and on the safeguards applied carries several risks, for example in appearing to favour some users and in relation to data providers who may misunderstand what has been done to disseminate the data they provided. These risks could be avoided if NSO adopted and published rules for this type of data access, regardless of whether or not it is frequently demanded.

**Principle 6: Impartiality and objectivity.**

***Statistical authorities must produce and disseminate European Statistics respecting scientific independence and in an objective, professional and transparent manner in which all users are treated equitably.***

Overall assessment: There is a good compliance with the principle of impartiality and objectivity on the basis of the provisions of Malta Statistics Authority Act, procedures and practices applied by the NSO in Malta regarding the indicators related to these principles as well as the opinion of users as regards objectivity and professional independence of the office. Further improvements are linked to more metadata available on the internet (see principle 15). Good services provided by the NSO to the users contribute to a very positive assessment of the NSO in relation to this principle.

*Indicator 6.1: Statistics are compiled on an objective basis determined by statistical considerations.*

**Fully met**

Comments: According to the Malta Statistics Authority Act (Article 2) “impartiality means the objective and independent manner of producing official statistics free from any pressure from political or other interest groups, particularly as regards the selection of techniques, definitions and methodologies best suited to the attainment of the objectives as set out; it implies the availability of statistics to all users“. There exists a procedure used for the final approval of press releases. The impartiality and objectivity was also confirmed in interviews with users.

*Indicator 6.2: Choices of sources and statistical techniques are informed by statistical considerations.*

**Fully met**

Comments: As described under indicator 6.1 the Statistics Act stresses the importance of the production of statistics “free from any pressure from political or other interest groups, particularly as regards the selection of techniques, definitions and methodologies“. As specified in Publication Arrangements “prior to the release of its publications the NSO does not need or seek the approval of Ministers“. Users confirmed the objective and independent way of working of the NSO.

*Indicator 6.3: Errors discovered in published statistics are corrected at the earliest possible date and publicised.*

**Fully met**

Comments: The National Statistical Office adopted a revision policy that includes also revisions based on corrections of errors in source data and computations and the appropriate rule that: “When an error in reporting or processing is detected, the revision is made in a transparent and timely manner“. The rules are respected in practice, users are informed about corrections and corrected data publicised. Staff, including junior staff, understands the revision policy and the necessity of early information. Users are also aware of the revision policy.

*Indicator 6.4: Information on the methods and procedures used by the statistical authority are publicly available.*

**Partly met**

Comments: NSO provides certain information on the methods and procedures used in press releases and in printed publications. More metadata in standardized form in statistical publications as well as directly associated with data on the website are needed, also as regards the public database. Efforts of the NSO in this field are oriented to these improvements as well as to direct contact with data users in case of questions and necessity of explanations.

*Indicator 6.5: Statistical release dates and times are pre -announced.*

**Fully met**

Comments: A release rolling three months calendar is published on the website. Pre-announced dates are respected. Users confirmed the knowledge of the calendar and the applied practice which is considered as satisfactory.

*Indicator 6.6: All users have equal access to statistical releases at the same time and any privileged pre-release access to any outside user is limited, controlled and publicised. In the event that leaks occur, pre-release arrangements should be revised so as to ensure impartiality.*

**Fully met**

Comments: On the basis of the release calendar all users have equal access to statistical releases at the same time. Pre-access in specific cases as declared in the Publication Arrangements which are published on the website has not been used in practice. In case of the retail price index, the presentation of the index to the Retail Price Index Management Board which is made up of the three groups of social partners, namely the Government, private industry and trade unions, prior to the publication by the NSO is made under strict confidentiality rules according to the following procedure presented on the website of the NSO: during the monthly meetings of the Board and prior to the release of the index, the Director General of the NSO presents the index to the Board and provides answers to questions and additional information on the index. All information provided to the members of the Board is maintained in strict confidence and permanently embargoed. The members of the Board are also barred from disseminating the index prior to its publication by the NSO. The Retail Price Index is published by the NSO at the end of each Board's meeting.

*Indicator 6.7: Statistical releases and statements made in Press Conferences are objective and non-partisan.*

**Fully met**

Comments: The content of statistical releases is the sole responsibility of the NSO. Specific provisions in this respect are stated in the Publication Arrangements of the office and respected in practice. In comparison to the number of press releases the number of press conferences is quite low – in this context it should be noted that in interviews users expressed their satisfaction with the practice applied and considered it preferable as the more effective solution - based mainly on close contacts of journalists and other users with qualified NSO experts in specific fields of statistics. Others expressed their wish for more press conferences. In the view of the Peer Review team press conferences should be used as an important instrument of the communication strategy of a statistical office.

**Principle 15: Accessibility and clarity**

*European Statistics should be presented in a clear and understandable form, disseminated in a suitable and convenient manner, available and accessible on an impartial basis with supporting metadata and guidance.*

Overall assessment: On the positive side, NSO has a well-developed web site providing statistical data. The web site also provides electronic versions of publications for download, together with the News Releases, which are in effect short publications combining recent data with explanatory notes. Users expressed positive opinions about the web site and the publications, but practically all users said that they also very often requested data and asked questions directly to NSO. On the other hand, there were some significant weaknesses in relation to the availability and organisation of explanatory metadata, particularly in relation to information for users about the quality of statistical outputs with respect to the ESS quality criteria.



*Indicator 15.1: Statistics are presented in a form that facilitates proper interpretation and meaningful comparisons.*

### **Largely met**

Comments: The publications and News Releases are effective in presenting statistical tables accompanied by text which draws attention to the main features of the data, although the level of explanation about quality and methodology is very variable. Some publications, such as *Education Statistics 2005* appeared to contain no information at all on how the data were collected, while others such as *Survey on ICT - usage of Enterprises 2003* did provide a description of the survey methodology. In many cases, additional methodological information is available on the web site, but it is divided between several sections of the web site, so that the user needs to look at both at the *Survey and questions* section as well as the *Sources and methods* section.

The News Releases, which are produced at the impressive rate of nearly one per day, were judged both by users and by the Peer Review team to be a successful way to disseminate data supported by brief factual explanations and some methodological information. On the other hand, the *Selected indicators* section of the web site presented widely used statistics, such as the Retail Price Index, without any methodological information at all.

The Peer Review team noted that improvements on these issues could be achieved quite easily.

*Indicator 15.2: Dissemination services use modern information and communication technology and, if appropriate, traditional hard copy.*

### **Largely met**

Comments: There were no major issues in relation to this indicator; NSO makes good use of the web site and internet technologies such as email and RSS for dissemination.

Some users felt that the online statistical database *StatDB* was too limited in its functionality and content to be really useful, although it can certainly be further developed.

*Indicator 15.3: Custom-designed analyses are provided when feasible and are made public.*

### **Largely met**

Comments: From meetings with users and partners, it was clear to the Peer Review team that NSO is responding successfully to much of the demand for custom-designed analyses, except in the area of microdata (see Indicator 15.4). The Library and Information Service provides a single point of contact for these requests; there is an online request form as well as a published statement of NSO policy on how it handles such requests.

The Peer Review team noted that to achieve full compliance on this indicator, NSO needed to provide at least full transparency about the kind of data that has been compiled for specific analyses and, where it seems to be desirable and feasible, to make public some of the results of these requests.

*Indicator 15.4: Access to microdata can be allowed for research purposes. This access is subject to strict protocols.*

### **Partly met**

Comments: The Peer Review team had difficulty in establishing with certainty to what extent NSO had provided anonymised microdata to users. There is no formal policy for such provision



(see Indicator 5.6) but it appeared that such microdata had occasionally been made available to some users, while other users thought that NSO was too restrictive on this point.

NSO needs to decide on a policy in this area and to implement it consistently, with the appropriate protocols.

**Indicator 15.5: Metadata are documented according to standardised metadata systems.**

#### **Partly met**

Comments: This is an area in which quick improvements are essential. At present, NSO does not systematically publish explanatory metadata structured according to metadata standards such as SDDS or ESMS<sup>1</sup>. The published document *Policy on the documentation of data quality and methodology* implies that NSO intends to do this, but this policy is only at an early stage of implementation. At present, as mentioned under Indicator 15.1, users have to search for explanatory metadata which is dispersed and sometimes incomplete, particularly in relation to quality criteria.

The Peer Review team saw evidence that work was under way to achieve compliance in this area, in the form of draft SDDS metadata for several statistical domains.

**Indicator 15.6: Users are kept informed on the methodology of statistical processes and the quality of statistical outputs with respect to the ESS quality criteria.**

#### **Partly met**

Comments: Users and partners confirmed that NSO was effective in responding to *ad hoc* user requests for information on methodology, but as noted for Indicator 15.5 this information is not published by NSO in a well-structured way. In addition, some information on the quality of statistical outputs with respect to the ESS quality criteria is only available in internal documents, which may lead to misunderstandings by users about the correct use or interpretation of statistics.

It was evident to the Peer Review team that there is a lively public debate about some NSO statistics; more complete information about methodology and data quality might help to avoid ill-founded criticisms of NSO.

This is an important area for improvement actions at NSO.

#### **4. CO-ORDINATION ROLE OF THE NATIONAL STATISTICAL INSTITUTE**

The Malta Statistics Authority Act stipulates in Article 10 that the NSO shall

- monitor and coordinate the carrying out of tasks with statistical implications imposed on other public bodies and
- coordinate the production of official statistics' systems, including the necessary methodologies.

In Article 39 of the MSA Act it is further laid down: If any public authority intends to carry out activities with statistical implications, it shall consult, for coordination, with the Office and accept any recommendations the Office may make.

In practice the vast majority of European statistics for Malta is produced by the NSO. The only other major Maltese data provider of European statistics is the Central Bank of Malta. A

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<sup>1</sup> SDDS: Special Data Dissemination Standard (IMF); ESMS: Euro-SDMX Metadata Standard (Eurostat).

cooperation agreement between the Central Bank of Malta and the National Statistics Office was signed in 2003. It contains a clear division of work between the institutions and agreements on data sharing.

In the fields of Transport, Education and Health Statistics some data are delivered to Eurostat directly by the responsible Maltese departments (Malta Maritime Authority, Education Department, and Health Department).

As already described under indicator 2.2, the NSO already uses a wide range of administrative data. Close cooperation and partly formal agreements are in place with many public institutions. Examples of cooperation with agencies include, apart from the Central Bank of Malta, the Treasury, the Employment and Training Corporation, the Inland Revenue Department, and the Customs Department regarding the timely provision of data and/or access to their databases.

In principle, the NSO has overall authority to require other agencies to adopt the European statistical standards, but for practical reasons this is not always enforced. Cooperation appears thus not optimal in such cases, and inconsistencies arise in classifications used by different organisations. For example, the Value Added Tax Department continues to work with its own version of the Statistical Classification of Economic Activities, thus creating additional work for the NSO to exploit their database. Improvements are therefore possible and should be striven for. The NSO makes moreover all efforts to further increase the use of administrative data (see the Improvement Action under principle 9).

## **5. GOOD PRACTICES TO BE HIGHLIGHTED**

NSO was notably successful in establishing close professional contacts with important partners and users in Malta. During the Peer Review interviews, it was frequently mentioned that NSO staff were very knowledgeable about their specialised fields, enabling them to interact effectively with their partners and users. This facilitates good relations with the important economic sectors in Malta.

The Library and Information Unit at NSO provides an effective centralised service for responding to ad hoc data requests. It is able to handle inquiries by phone, fax, post, and email, as well as through a request form on the website. Pricing for provision of customised data is clearly explained on the website. Users seemed to find this service worked well.

“Promoting Statistical Literacy” is another good example of the efforts of NSO to better communication with actual and future users of statistics. Presented in the form of the policy of the NSO, the NSO document includes a variety of forms and activities promoting general knowledge of statistics and stimulating interest in statistical data including practical use of statistics.

## **6. RECOMMENDATIONS OF THE PEER REVIEW TEAM**

The Peer Review team supports the list of improvement actions in chapter 7 of the report.

## 7. LIST OF IMPROVEMENT ACTIONS BY PRINCIPLE OF THE CODE

Principle 1: Professional Independence <b>Improvement actions</b>	<b>Timetable</b>
<ul style="list-style-type: none"> <li>★ Achieve as soon as possible a definite appointment of Director General (Top Priority)</li> <li>★ Publish a synopsis of the three-year working programme which is currently submitted to the Ministry of Finance to provide the necessary funds to NSO</li> </ul>	
Principle 2: Mandate for Data Collection <b>Improvement actions</b>	<b>Timetable</b>
Principle 3: Adequacy of Resources <b>Improvement actions</b>	<b>Timetable</b>
<ul style="list-style-type: none"> <li>★ Further increase the number of staff to fulfil the growing demand for statistics, in particular from the European side</li> <li>★ Increase investment in Information Technology</li> <li>★ Align salaries of qualified staff with those offered by competitors</li> <li>★ Draw up an intensive training programme with the assistance of a foreign expert</li> </ul>	Early 2008
Principle 4: Quality commitment <b>Improvement actions</b>	<b>Timetable</b>
<ul style="list-style-type: none"> <li>★ Consider the implementation of quality management approach</li> <li>★ Set up a specific unit in charge of coordination of systematic and regular monitoring of the quality of all statistical products in NSO in accordance with ESS quality dimensions and national guidelines on data quality ("Policy on the documentation of data quality and methodology"). This unit will also be in charge of planning regular audits, coordinating the production of internal handbooks and guidelines for staff and internal training in the field of quality.</li> <li>★ Implement systematic monitoring of quality according to ESS quality dimensions</li> <li>★ Engage external experts, where appropriate, for reviewing statistical outputs and processes</li> <li>★ Carry out customer/user satisfaction surveys on a yearly basis</li> </ul>	July 2008
Principle 5: Statistical Confidentiality <b>Improvement actions</b>	<b>Timetable</b>
<ul style="list-style-type: none"> <li>★ Set up and publish the procedure to give access to micro data to researchers. This will be decided upon following consultations with all managers (Proposal in accordance with Commission Regulation 831/2002)</li> </ul>	2008
Principle 6: Impartiality and objectivity <b>Improvement actions</b>	<b>Timetable</b>
Principle 7: Sound Methodology <b>Improvement actions</b>	<b>Timetable</b>
Principle 8: Appropriate Statistical Procedures <b>Improvement actions</b>	<b>Timetable</b>
Principle 9: Non-Excessive burden on respondents <b>Improvement actions</b>	<b>Timetable</b>
<ul style="list-style-type: none"> <li>★ Intensify permanently the use of administrative sources (NSO has put forward a proposal in this regard, within the context of the Better Regulation to set up a Central Administrative Register)</li> </ul>	2008 ongoing
Principle 10: Cost Effectiveness <b>Improvement actions</b>	<b>Timetable</b>
Principle 11: Relevance <b>Improvement actions</b>	<b>Timetable</b>

★ Identify better users' specific needs and integrate findings into the planning process of NSO	
Principle 12: Accuracy and Reliability <b>Improvement actions</b>	<b>Timetable</b>
★ Continue to strive in implementing best practices for reducing survey non-response	2008 ongoing
Principle 13: Timeliness and Punctuality <b>Improvement actions</b>	<b>Timetable</b>
Principle 14: Coherence and Comparability <b>Improvement actions</b>	<b>Timetable</b>
Principle 15: Accessibility and clarity <b>Improvement actions</b>	<b>Timetable</b>
★ Develop structured and standardized metadata and make them available to the users on the website	2008

## 8. ANNEX A: PROGRAMME OF THE VISIT

<b>21 November</b>		<b>DISCUSSION WITH INTERNAL STAKEHOLDERS</b>
09:15	9:30	Welcome and introduction of programme, organisational matters
9:30	11:30	Meeting with management to discuss Principles 1,2,3,4,5,6 and 15
11:30	11:45	Coffee Break
11:45	13:00	Meeting with management to discuss Principles 1,2,3,4,5,6 and 15
13:00	14:00	Lunch Break
14:00	15:00	Meeting with junior staff to discuss Principles 1,2,3,5,6 and 15
15:00	15:15	Coffee Break
15:15	16:15	Meeting with management to discuss Principles 1,2,3,4,5,6 and 15
<b>22 November</b>		<b>DISCUSSION WITH EXTERNAL STAKEHOLDERS</b>
09:15	10:15	Meeting with Economic Policy Division, Ministry of Finance, Ministry of Social Policy, Malta Tourism Authority
10:15	11:15	Meeting with Chamber of Commerce, Malta Hotels & Restaurant Association, Federation of Industry, Malta Employers' Association
11:15	11:30	Coffee Break
11:30	12:15	Meeting with Central Bank of Malta
12:15	13:15	Meeting with Media
13:15	14:45	Lunch Break
14:45	15:45	Meeting with the MSA Board
15:45	16:30	Meeting with UHM, GWU, Employment & Training Corporation
<b>23 November</b>		<b>CONCLUSIONS</b>
09:30	10:00	Meeting with Dr. Gordon Cordina
10:00	11:30	Meeting with management to sum up and detailed review of list of improvement actions for all principles
11:30	11:45	Coffee Break
11:45	13:15	Meeting with top management: conclusions, recommendations and follow-up (improvement actions)

## **9. ANNEX B: LIST OF PARTICIPANTS**

### **List of Directors and Management Attending:**

**Mr Reno Camilleri**, A/Director General  
**Mr Paul Mifsud**, Director Corporate Services  
**Mr Michael Pace Ross**, A/Director Economic Statistics Division  
**Mr Joseph Bonello**, Manager Government Finance Unit  
**Mr Keith Borg Manager**, Consumer Prices Unit  
**Mr James Briscoe**, Manager Business and Enterprise Unit  
**Mr Carlos Camenzuli**, Manager Agriculture and Fisheries Unit  
**Mr Etienne Caruana**, Manager Population and Living Conditions Unit  
**Ms Joslyn Magro Cuschieri**, Manager Labour Market Unit  
**Mr Ray Micallef**, Manager Balance of International Payments Unit  
**Mr Robert Mizzi**, Manager Library and Information Unit  
**Mr Anthony Portelli**, Manager International Trade Unit  
**Mr George Said**, Manager Environment and Resources Unit  
**Mr Carmel Spadaro**, Manager International Relations Unit  
**Mr Manuel Tabone**, Manager Tourism & Transport Unit

### **List of Peer Review Visit Coordinators:**

**Elaine Borg**, Statistician - Business and Enterprise Unit  
**Marius Cilia**, Assistant Statistician - Business and Enterprise Unit  
**Tania Scerri**, Senior Statistician - Labour Market Unit  
**Jennifer Vassallo**, Senior Statistician - National Accounts Unit  
**Catherine Vella**, Communications Officer

### **List of Junior Staff:**

**Josianne Bonnici**, Senior Statistician - Business and Enterprise Unit  
**Shawn Borg**, Librarian - Library and Information Unit  
**Fiona Borg Halford**, Assistant Statistician - Human Resources Unit  
**Sarah Cachia**, Financial Controller  
**Nicola Camilleri**, Statistician - Population and Living Conditions Unit  
**Mary Rose Debono**, Senior Statistician - Agriculture and Fisheries Unit  
**Vanessa Dimech**, Senior Statistician - National Accounts Unit  
**Stefan Farrugia**, Programmer II - IT Unit  
**Jeffrey Galea**, Statistician - Environment and Resources Unit  
**Joseph Galea**, Statistician - Tourism & Transport Unit  
**Lara Grech**, Statistician - Consumer Prices Unit  
**Tania Scerri**, Senior Statistician - Labour Market Unit  
**Katya Scicluna Batoli**, Statistician - Government Finance Unit  
**Sue Ann Scott**, Statistician - Tourism and Transport Unit  
**Emmanuel Treeby**, Statistician - International Trade Unit  
**Silvan Zammit**, Statistician - Research and Methodology Unit  
**Godwin Zerafa**, Senior Statistician - Balance of International Payments Unit

### **List of External Participants:**

**Mr Godwin Mifsud**, Senior Economist - Economic Planning Division  
**Mr Alan Grima**, Chief Information Officer - Ministry for the Family and Social Solidarity  
**Mr Jesmond Friggieri**, Operations Executive - Social Policy Information Centre  
**Mr Grazio Barbara**, Co-ordinator - Information Management Unit, Ministry for the Family and Social Solidarity  
**Mr Leslie Vella Director**, Marketing Support & Development - Malta Tourism Authority  
**Ms Ramona Zammit Saliba**, Research Analyst - Marketing Support & Development - Malta Tourism Authority  
**Ms Claire Briffa**, Said Research Analyst - Marketing Support & Development - Malta Tourism Authority  
**Mr Kevin Borg**, Director General - Malta Chamber of Commerce & Enterprise  
**Mr André Fenech**, National Affairs Executive - Malta Chamber of Commerce & Enterprise  
**Mr Joe Farrugia**, Director General - Malta Employers Association  
**Mr George Schembri**, Chief Executive Officer - Malta Hotels & Restaurants Association  
**Mr Jesmond Pule'Head**, Statistics Office - Central Bank of Malta  
**Ms Vanessa Macdonald**, Columnist - The Times  
**Mr Karl Schembri**, Columnist - Malta Today

**Mr Reno Bugeja**, Journalist - Public Broadcasting Services  
**Mr Ralph Cassar**, Communications Officer - Alternattiva Demokratika  
**Mr Gejtu Vella**, Secretary-General - Union Faddiema Magħqudin  
**Mr Gejtu Tanti**, President - Union Faddiema Magħqudin  
**Mr Robert Borg**, Financial Controller - General Workers Union  
**Mr Edwin Camilleri**, Manager - Labour Market Information, Employment and Training Corporation  
**Dr Gordon Cordina**, Economist  
**Prof. Edward Zammit**, Malta Statistics Authority Board Member  
**Ms Moira Catania**, Malta Statistics Authority Board Member  
**Mr Alfred Demarco**, Malta Statistics Authority Board Member